

M/027/008
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CRYSTAL PEAK MINERALS CORPORATION

JUN 19 1993

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Milford, Utah 84751
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DIVISION OF
OIL, GAS & MINING

DOGM
MINERALS PROGRAM
FILE COPY

June 7, 1993

Memorandum Of Understanding

This document is intended to summarize my understanding of work required to complete reclamation of the Sevier Lake Project of Crystal Peak Minerals Corporation (CPMC). The detailed work sheet was prepared from my notes of the site visit made by representatives of the Bureau of Land Management (BLM) and the Utah Division of Oil, Gas, and Mining (DOGM) on June 3, 1993. Representatives at the meeting included :

Larry Sower	CPMC
Rody Cox	BLM, Warm Springs Resource Area
Micheal Jackson	BLM, Richfield District Office
Allen Vance	BLM, Utah State Office
Alan Rabinoff	BLM, Utah State Office
Wayne Hedberg	DOGM
Holland Shephard	DOGM

Required reclamation closely parallels the reclamation agreement (M/027/008-89(1)) that was completed in 1989. Changes discussed at the site meeting reflect deleting provisions for planned work that was never completed and certain refinements that recognize the difficulties of operating heavy equipment in the adverse conditions found at Sevier Lake.

CPMC is proceeding with the process of removing equipment and materials from the site. It is anticipated that this process will be complete by 7/1/93. Assuming that no major changes are made to the plan by DOGM or BLM, work will proceed on dike reclamation on 7/6/93. With the exception of reseeding the upland areas, reclamation of the site should be complete by 10/1/93. Seeding will be conducted late in the fall when sufficient moisture has accumulated in the soil.

The attached worklist and project map details my understanding of the decisions made at the site meeting. Any required changes or additional comments should be directed to me as soon as possible for inclusion into the plan.

I appreciate the effort that both agencies have made to promptly respond to the need to define reclamation of the Project.

Larry Sower
General Manager, Utah Operations

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Item 1 : CPMC Fresh Water Well

Reclamation of the fresh water is to be handled separately from the remainder of the reclamation agenda pending a decision by the BLM Warm Springs Resource Area as to whether the well will be acquired by BLM for stock watering and wildlife uses. The water well is located on Right-of-Way Grant UTU-58555.

Item 2 : CPMC Borrow Pit

The borrow pit adjacent to the fresh water well was reseeded in 1988 and 1989. Although not totally successful, revegetation of the area is proceeding. The consensus agreement was to allow the process to complete its natural course without further disturbance.

Items 3 & 4 : Access Road and Campsite

The access road leading to the lake from the county road and the campsite located on the southern edge of the lake will be reclaimed as per the original 1989 reclamation agreement. Representatives from both DOGM and BLM felt that the proposed seed mix and planting methods should be reviewed. CPMC will work with both agencies to help assure successful revegetation of the sites.

Item 5 : Interior Dikes

The interior dikes were constructed of lake clays found adjacent to the dike alignments. These dikes are totally unprotected from wave action and erode quickly when exposed to water depths that exceed one foot. Plans call for leaving the solar complex in such a way as to maximize erosion from naturally occurring meteoric waters that occur primarily during the winter season on the lake bed. All culverts, weirs and other materials will be removed to help expedite natural erosion.

Item 6 : Main Dike

The main dike will be cut at both ends to the lake level by a retreating dragline. The cuts will serve both to eliminate vehicular access to the dike and will also help optimize erosion of the pond complex by allowing wind driven surface waters to be impounded in the pond complex. The cut on the south end of the dike will be approximately 300 feet in length extending from the south shore to the current location of the weather station. On the northend the dike will be cut from its terminus on a natural gravel spit to the first westward extension of an interior dike. The configuration is designed to maximize inflow to the pond system from the former collection ditch.

The main dike has height of three to six feet and is constructed with imported fill. To reduce the visible profile of the dike and speed up the natural erosion process, CPMC agreed to reduce the height of the dike by approximately three feet or to the point that bulldozers can no longer be supported on the underlying sediments. Material from the dike will be dispersed on ground parallel to the dike alignment. ✓

Item 7 : Collection Ditch

The collection ditch will be left to fill with brine. Sedimentation of the ditch will likely proceed rapidly given the extremely soft nature of the clay sediments and the effects of constant wave action. The ditch alignment will provide a natural conduit for wind driven surface water to enter the abandoned solar pond system. ✓

Item 8 : CPMC Brine Well

The brine well located at the northend of the Main Dike will be plugged and reclaimed per state statute. ✓

Item 9 : Materials and Equipment

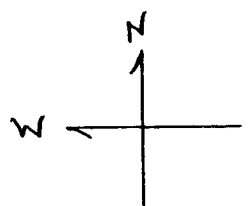
All materials and equipment present at the site will be removed by October 1, 1993. ✓

Item 10 : Inspections

CPMC will notify both the BLM and DOGM prior to terminating access to all or part of the project site. Access beyond the location of the primary pumping location will likely be closed in July. Access to the main dike will be terminated in late August. ✓

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CPMC Reclamation

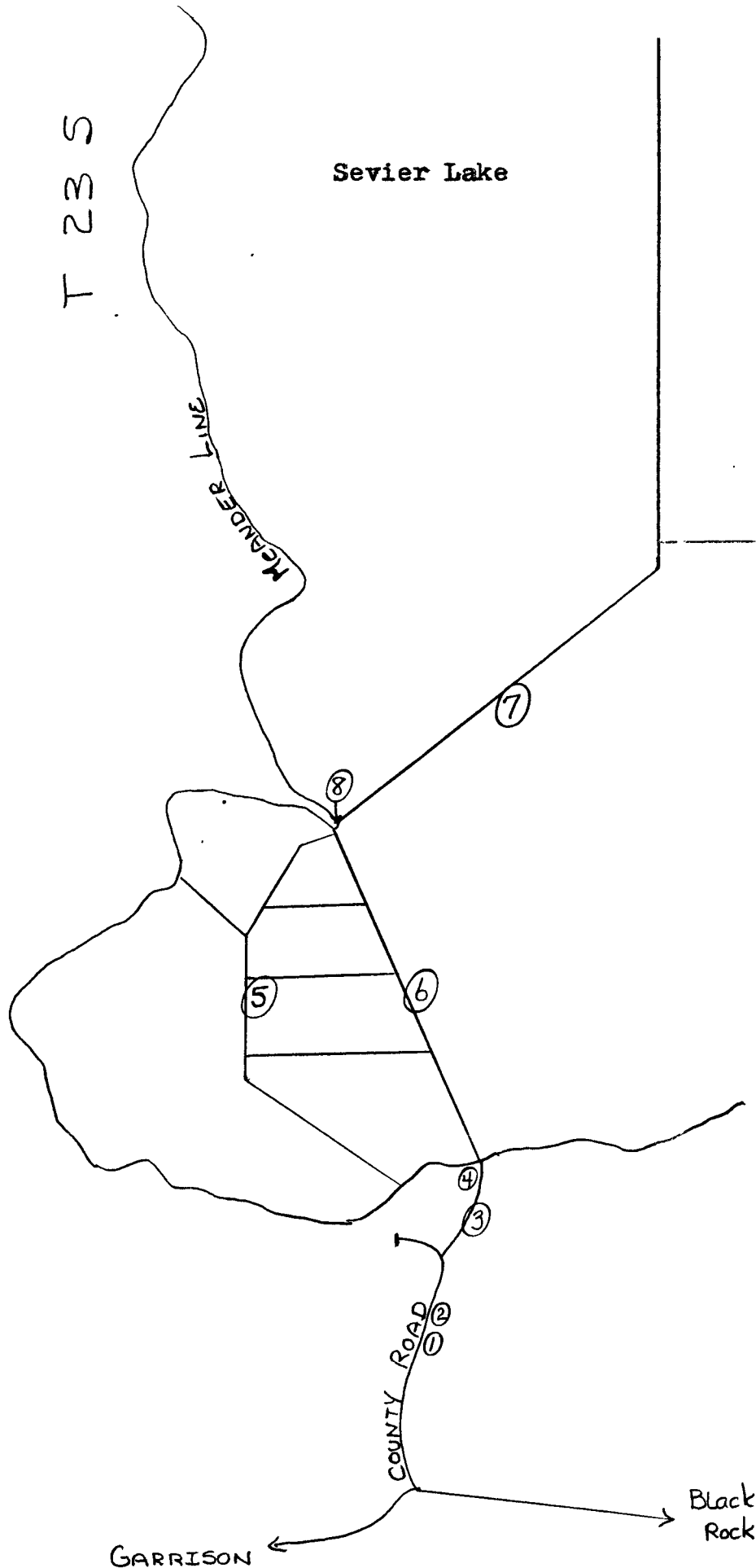
- 1 Fresh Water Well
- 2 Borrow Pit
- 3 Access Road
- 4 Campsite
- 5 Interior Dikes
- 6 Main Dike
- 7 Collection Ditch
- 8 Brine Well



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